



BULLETIN 2005-9

Issued this 15th day of December, 2005

TO: All Property/Casualty Insurers Licensed in Minnesota (except Workers' Compensation)

RE: MANDATORY USE OF THE NAIC PROPERTY AND CASUALTY TRANSMITTAL DOCUMENT (FORM PC TD-1) CODES AND INSTRUCTIONS

NOTE: --This Bulletin supersedes Bulletin 96-3, Dated October 1, 1996.

REASON FOR BULLETIN. *The information in this Bulletin 2005-9 is being circulated to bring Minnesota filing requirements into uniformity with country-wide NAIC filing criteria and updated information technology at the Minnesota Department of Commerce.*

GLENN WILSON
Minnesota Commissioner of Commerce

USE OF NAIC TRANSMITTAL DOCUMENT REQUIRED AS OF FEBRUARY 1, 2006.

Effective February 1, 2006, all Property and Casualty insurers should begin to use the current edition of the NAIC Property & Casualty Transmittal Document with paper filings submitted on or after this date.

IMPORTANT NOTES:

- *The Minnesota-specific document that was implemented in 1996, entitled "Minnesota Property-Casualty Transmittal Form," will no longer be accepted as of February 1, 2006.*
- *This Bulletin applies to paper filings only. SERFF electronic filings are not affected by the requirements of this Bulletin.*

Insurance companies must download copies of both the transmittal document and accompanying instructions from the NAIC website as follows. (Note that these steps may change due to future revisions in the NAIC website.)

- 1) *Open the NAIC home page at www.naic.org;*
- 2) *Click on the caption entitled "NAIC Member Site" in the upper right-hand corner;*
- 3) *Locate "Speed to Market," on the right-hand side and click on the caption entitled "Transmittal Documents";*
- 4) *Click on "Property & Casualty Transmittal Document" in the desired format.*

Failure to attach an NAIC transmittal document after January 31, 2006, may result in your filing being returned unreviewed.

INSTRUCTIONS FOR COMPLETING NAIC TRANSMITTAL DOCUMENT.

For the most part, the transmittal document is self-explanatory. However, here are some things to keep in mind when preparing a filing:

1. Consult Minnesota Statutes, Minnesota Rules, and previous Department of Commerce Bulletins.

Carefully review the following before contacting the Department with questions:

- Minnesota Rules, Chapter 2605 (Filing Fees; Insurance), as amended by Minnesota Statutes 60A.14, subd. 1, clause (c)(7);
- Department of Commerce Bulletin 1995-2 (lines exempt from filing requirements);
- Department of Commerce Bulletin 2000-4 (required certification of statutory compliance);
- Department of Commerce Bulletin 2001-1 (optional expedited filing procedures for Professional Liability line); and
- Department of Commerce Bulletin 2005-2 (optional expedited filing procedures for Personal Automobile and Homeowners lines).

2. Assembling your filing in proper order.

When assembling the filing, please make sure to do the following:

- Include the following with every filing made:

1. *NAIC Transmittal document.*

Submit in duplicate, one copy of which will be stamped and returned to you upon approval/acceptance.

2. *Cover letter.*

Consider using a cover letter. While completion of a Filing Description (line 21) is acceptable in lieu of a cover letter, the Department is happy to continue accepting cover letters. If a cover letter is used, submit in duplicate so that one copy can be stamped and returned to you upon approval/acceptance.

3. *Enclosures of rates, rules, forms, and supporting information, as appropriate.*

Send duplicates of forms, rates, and rules only if you want copies stamped and returned with a copy of the cover letter or transmittal document.

4. *Self-addressed return envelope with postage.*

Enclose a self-addressed envelope that is large enough and with sufficient postage to return the material you want sent back. "Postage Paid by Addressee" envelopes work best.

5. *Check.*

Include your check(s) in conformance with the amount indicated on the bottom of the second page of the transmittal document (i.e. line 22). Make your check(s) payable to "Minnesota Department of Commerce."

Place transmittal documents on top of copies of your cover letter (if utilized), followed by any enclosures.

Materials in addition to your cover letter will not be returned if the return envelope you have provided is not large enough to accommodate them.

Failure to follow these assembly steps may result in a delay of our review of your filing.

3. Company Tracking Number (see line 5 of transmittal document).

A separate and distinct number should be assigned to each and every filing for tracking purposes.

We suggest that you keep your numbers simple and sequential, such as 2006-1, 2006-2, etc. Do not assign the same number, such as your federal tax ID number, universally to every filing. Failure to assign a unique Company Tracking Number may result in a delay of our review of your filing.

4. Type of Insurance (TOI) (see line 9 of transmittal document) and Sub-Type of Insurance (Sub-TOI) (see line 10 of transmittal document).

Be careful to indicate the appropriate NAIC Uniform Product Codes that most closely identify the insurance you are filing.

- The NAIC Uniform Product Coding Matrix for Property is available at the NAIC website. A company may download a copy as follows. (Note that these steps may change due to future revisions in the NAIC website.)
 - 1) Open the NAIC home page at www.naic.org;
 - 2) Click on the caption entitled "NAIC Member Site";
 - 3) Under "Speed to Market," locate "Uniform Product Coding Matrices" and click on the caption entitled "Property."
- If no sub-TOI code is obvious, indicate so by coding it 33.0001 for personal lines or 33.0002 for commercial lines.
- If all forms and/or manual pages in a filing can be used with two or more kinds of insurance, use the following sub-TOI codes: 35.0001 for personal lines or 35.0002 for commercial lines. Only a single fee per company is then required.
- The Credit Involuntary Unemployment Insurance that is authorized under Minn. Stat. § 62B may not be filed using a Property and Casualty transmittal document. Rather, this line of insurance must be filed using an NAIC Life and Health Transmittal Document.

5. Identical filings.

Use the following procedures if you are making a filing for a group of companies, and the forms, rules, and/or rates are essentially identical for each company:

- You may submit individual transmittal documents and fees for each company. Or, you may submit a single transmittal document, provided that the name and all pertinent information for each company are appropriately filled in under "Company Name(s)" (*see line 4 of transmittal document*).
- A single check in an amount appropriate for the entire group of companies is acceptable.
- If you elect to use a cover letter, the same cover letter can be used for all companies, provided that you list the name of each company in the subject heading.
- Unless you want copies returned for your company's records, you need to send only one copy of the actual material to be filed (i.e. rate pages, rule pages, policy forms, supporting documentation, and/or other exhibits and enclosures).

6. Withdrawal filings.

Submit a transmittal document as appropriate, but do not include a filing fee if you are only making a withdrawal and not replacing the forms, rules and/or rates with new or revised forms, rules and/or rates.

7. Rates and/or Rules filings.

If you are filing rates, refer to Minn. Stat. § 70A for required supporting data and remember to complete line 3, entitled "Overall Percentage Rate Impact," of the Rate/Rule Filing Schedule.

If you are filing rules, remember that for new Personal Auto programs, underwriting guidelines must also be filed.

8. Forms filings.

Forms that are required to be filed include policies, endorsements, jackets, cancellation and nonrenewal notices, and certain applications (i.e. personal auto).

9. Avoid getting your filing returned unreviewed.

Review your filing for completeness before sending it in. Filings that must be returned due to improper completion of the transmittal document are not considered to be officially received by the Department. Our review period will not start until any deficiencies have been corrected and the transmittal document is returned to us.

The following are some common oversights that companies make:

- Checks not made out for the appropriate amount.
- *Duplicate* transmittal documents not sent in.
- Only a cover letter is sent--lacking transmittal document(s) and check(s) for payment of filing fees--because change is minor (i.e. deviations from filings made by rate service organizations; changes to previously closed filings, such as amended effective dates, editorial changes, correction of printing errors; etc.) incorrectly assuming such filings to be exempt from filing requirements. Note that even these minor changes require submission of a transmittal document and payment of a fee (see Minnesota Rules Chapter 2605).
- More than one line of insurance submitted under a single transmittal document. (Different lines of insurance require separate transmittal documents and the payment of a fee for each line.)

10. Always identify your filing in correspondence.

On any written correspondence with us regarding your filing, please indicate both Our Record Number, if known, and your Company Tracking Number. Do NOT send additional transmittal documents and filings fees when corresponding on open filings.

11. Inquiries.

If further clarification of these rules is needed, please direct inquiries to either of the following contact persons:

Robert Boyce (651-296-0139) or Joni Proffitt (651-296-6944)

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Or, you may use e-mail: Bob.Boyce@state.mn.us or Joni.Proffitt@state.mn.us